



AGRICULTURE DEVELOPMENT DIVISION

Fiscal Year 2018

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**Michigan Department of Agriculture and Rural Development
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Food and Agriculture Development

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The Agriculture Development Division delivers expertise and leadership to support economic prosperity in Michigan's food and agriculture sector through industry focused economic development, export assistance and grant management. The division also provides executive support for the Grape and Wine Industry Council and serves as the liaison with Michigan's many agriculture commodity groups.

The Economic Development Team provides food and agriculture development assistance to growers, producers, processors and the food and agriculture industry in order to promote and accelerate the growth and investment in Michigan agriculture. Assistance is provided to both new and existing businesses and includes supply chain connections, regulatory assistance, funding, collaboration, and trade for the agriculture, food and forest products sectors. Our team works collaboratively with other federal, state and local economic development partners to provide seamless services to agriculture and food customers. We are also engaged in the broad agriculture, food and forest products sectors to provide a stable, constant connection and up-to-date understanding of opportunity areas.

ACCOMPLISHMENTS:

- Accelerated the growth of Michigan food and agriculture companies by leveraging the new Food and Agriculture Investment Program. This new funding tool accelerates the growth of the state's food and agriculture companies by providing incentives that focus on value-added opportunities. In FY2018, 27 projects were approved, leading to 507 new jobs and \$646.1 million in new investment.
- Spartan Michigan LLC and Proliant Dairy of Michigan announced plans to construct a new dairy processing facility that will manufacture cheese, whey protein powder and whey permeate in St. Johns, Michigan. The project will create nearly 300 jobs and lead to an investment of \$510 million, while utilizing eight million pounds of milk per day from Michigan dairy farmers.
- Revolution Farms in Caledonia launched a new glass greenhouse hydroponics facility that will grow leafy greens to be supplied to local and regional retailers. This project led to an investment of \$3.3 million and will create 10 new jobs, while providing a locally grown product 12 months of the year.
- Expanded processing opportunities for Michigan dairy farmers by supporting Greenville Venture Partners in Greenville and the expansion of Michigan Milk Producers Association in Constantine. These projects will lead to 44 new jobs and over \$82 million in new investment.

MEASURING SUCCESS:

Metric	FY 2016	FY 2017	FY 2018
Company Visits	222	347	322
Economic Development Activities	554	524	580
Company Investment	\$387.5 Million	\$416.5 Million	\$886.1 Million
New Jobs Created	502	687	860

IMPACT FOR MICHIGAN:

- Increased new jobs and investment for food, agriculture and forest products companies.
- Increased dairy processing opportunities for Michigan's dairy farmers.
- Accelerated the growth of Michigan food and agriculture companies by supporting 26 Food and Agriculture Investment Fund performance-based grants.
- The state's food and agriculture sector generates more than \$104 billion of total economic activity for Michigan each year.
- Michigan is one of the top states when it comes to the diversity of agriculture products grown with significant value-add opportunities in agriculture, food and forest products.
- Michigan is located within 500 miles of almost 50 percent of the North American population and has a network in place to meet the needs of those populations.

PROGRAM GOALS:

- Accelerate the growth of Michigan food and agriculture companies through an increase in value-added processing opportunities.
- Promote Michigan as a great place to grow your food and agriculture company.
- Serve as a development consultant to food and agriculture companies in order to identify opportunities for growth, collaborate on supply chain efficiencies and develop long-term plans to support the food and agriculture industry.
- Identify opportunities for growth in all agriculture sectors including food processing, forest products, hops, barley, aquaculture, and dairy.
- Identify development-ready sites that can accommodate food processing growth.
- Connect businesses with technical and business development resources in order to provide clear paths to growth and expansion in Michigan.
- Increase agriculture innovation to create greater efficiency in the food and agriculture sector.

KEY STAKEHOLDERS

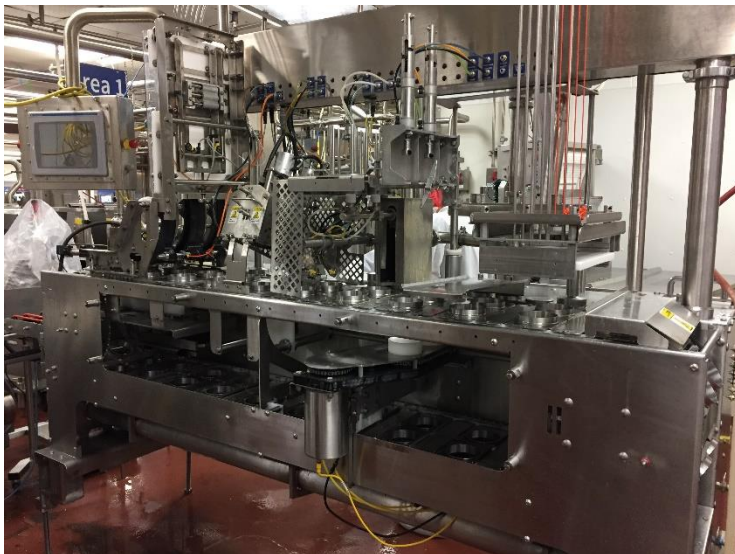
- Food and Agriculture Businesses and Processors
- Agriculture Growers and Producers
- Forest Products Industry
- Regional and Local Economic Development Agencies
- Local Communities
- Site Selectors

FOOD AND AGRICULTURE INVESTMENT FUND:

The Food and Agriculture Investment Program is a new incentive program that provides support for food and agriculture projects that help expand food and agriculture processing to enable growth in the industry and Michigan's economy. Projects are selected based on their impact to the overall agriculture industry and their impact to food and agriculture growth and investment in Michigan. In Fiscal Year 2018, this program assisted 26 projects in Michigan, leading to over 500 new jobs and over \$645 million of new investment to Michigan.

2018 Food and Agriculture Investment Fund Grants

<u>Project</u>	<u>Amount</u>	<u>Project</u>	<u>Amount</u>
House of Flavors	\$100,000	Excel Ag Solutions	\$50,000
Always Local – Revolution Farms	\$50,000	Quality Roasting	\$75,000
Hartford Farm Supply	\$75,000	Michigan Milk Producers Association	\$200,000
Greenville Venture Partners	\$500,000	Dr. Johns Candies	\$75,000
Morgan Composting	\$50,000	St. Julian Wine Company	\$125,000
Pigeon Hill Brewing	\$50,000	S&F Foods	\$75,000
Hausbeck Pickle	\$50,000	Grayling Northern Market	\$250,000
Vander Mill	\$50,000	Spartan Michigan	\$750,000
Prolime Agriculture	\$50,000	Proliant Dairy of Michigan	\$250,000
RRR Meat Processing	\$50,000	Stone Crest Creamery	\$40,000
Peterson Farms	\$150,000	Ridgeview Orchards	\$50,000
VernDale Products	\$100,000	Maiden Mills	\$10,000
Drought Juice	\$50,000	Michigan State University	\$29,000
Big O Smokehouse	\$50,000		





GRANT PROGRAMS

PROGRAM MANAGER: Heather Throne | 517-712-0841 | throneh@michigan.gov

MDARD administered the following grant programs: Specialty Crop Block Grant, Value Added Grant, Food & Agriculture Investment Fund Grant, Rural Development Fund Grant and One-Time Grants. The grant funds are used to enhance the competitiveness of specialty crops, develop value added agricultural processing, assist in efforts focused on removing barriers and leveraging food and agriculture opportunities and enhance land-based industries in rural communities.

IMPACT FOR MICHIGAN:

- Enhances the competitiveness of specialty crops
- Provides research on new industry technology
- Provides research on implementing and developing waste management relating to agriculture or agricultural products
- Provides research on pest management
- Increases land-based industries in rural Michigan
- Works to increase food and agricultural jobs
- Stimulates growth in the value-added processing sector

ACCOMPLISHMENTS:

- MDARD administers an existing portfolio of 116 grant agreements totaling \$22.2 million.
- MDARD awarded \$1,278,280 in value added grants and leveraged \$1,467,990 in matching funds.
- MDARD awarded \$891,905 in rural development grants and leveraged \$828,805 in matching funds.
- MDARD averaged 14.03 days for the review and disbursement of payments for existing grants.
- MDARD's Grants Team offered a grants training for the first time at the Great Lakes Fruit, Vegetable, and Farm Market Expo.

MEASURING SUCCESS:

Metric	2017	2018
Awarded Grant Funds	\$4,831,677	\$4,323,089
Leveraged Grant Funds (Value-Added and Rural Development)	\$3,284,907	\$2,296,795
Grant Disbursement Response Time (Days)	14.91	14.03
Active Grant Portfolios	152	139

PROGRAM GOALS:

- Maximize allocated grant funds with strong industry matches, to maximize the funding for the industry.
- Continue to review and streamline grant review processes to improve disbursement response times for grantees and reporting process.
- Implement additional checks and balances with grant financial reviews and conduct site visits for grant projects.

KEY STAKEHOLDERS

- Agricultural cooperatives
- Food and agriculture businesses
- Universities and research organizations
- Local governments
- Nonprofit corporations
- Economic development organizations

2018 Value-Added Grants

<u>Project</u>	<u>Amount</u>	<u>Project</u>	<u>Amount</u>
Farm to Freezer	\$125,000	Oomen Farms, Ltd	\$125,000
Johnston's Meat, LLC	\$125,000	Mackinaw Trail Winery, Inc.	\$110,000
Todd Greiner Farms Packing, LLC	\$125,000	Stuart Family Organics, LLC	\$9,700
Superior Honey Farm, LLC	\$11,100	Anderson Girls Orchard, LLC	\$109,000
Snackwerks of Michigan, LLC	\$125,000	Kajara's Bridge, Inc. The Redheads	\$38,780
Byron Center Meats, LLC	\$124,700	Ypsilanti Food Cooperative	\$125,000
Wunsch Farms	\$125,000		

MEASURING SUCCESS:

2018 Specialty Crop Block Grants			
Project	Amount	Project	Amount
Bay View Wine Trail, Inc	\$100,000	Michigan Flower Growers' Cooperative	\$64,359
Cherry Marketing Institute	\$35,954	Michigan Food and Farming Systems	\$99,998
Flint Fresh Mobile Market	\$82,408	Michigan Potato Industry Commission	\$99,096
Michigan Apple Committee	\$100,000	Michigan Pumpkin Association	\$15,500
Michigan Asparagus Advisory Board	\$99,970	Michigan Restaurant Association	\$69,251
Michigan Bean Commission	\$99,982	Michigan State Horticultural Society	\$82,813
Michigan Blueberry Commission	\$99,303	Michigan Tree Fruit Commission	\$99,950
Michigan Carrot Committee	\$99,423	Michigan Vegetable Council	\$65,914
Michigan Celery Research, Inc.	\$92,440	Michigan Vegetable Council	\$93,837
Michigan Cherry Committee	\$77,400	Pickle Packers International, Inc.	\$100,000
Michigan Farm Bureau	\$100,000	Michigan Flower Growers' Cooperative	\$64,359
Michigan Farmers Market Association	\$81,310	Michigan Food and Farming Systems	\$99,998

2018 Rural Development Fund Grants			
Project	Amount	Project	Amount
Negaunee Township	\$100,000	Michigan Blueberry Commission	\$99,300
City of Escanaba	\$99,300	PM Power Group, Inc.	\$100,000
Food for Thought	\$88,000	Village of Pentwater	\$35,000
Village of Newberry	\$55,305	Connect Nation	\$70,000
Marquette County Road Commission	\$100,000	Indian Summer Cooperative, Inc.	\$100,000
Village of L'Anse	\$45,000		



LEGAL AUTHORITY:

- Rural Development Fund - Public Act 411 of 2012.
- Value-Added Grants - Public Act 107 of 2017.

Commodity Coordination

PROGRAM MANAGER: Heather Throne
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The Michigan Department of Agriculture and Rural Development has legal, fiscal and program oversight responsibility for the entire group of 14 legislatively established commodity boards that have producer check-offs or producer assessments. The MDARD director delegates this authority to the Agriculture Development Division (AgD) to represent the MDARD director at all regular and executive board meetings. MDARD also organizes and leads Commodity Executive meetings to which staff from more than 60 agricultural and food organizations are invited to participate. The half-day meetings cover a variety of important topics and current issues for Michigan's food and agriculture industry.

IMPACT FOR MICHIGAN:

- AgD is responsible for ensuring the Michigan Open Meetings Act and Freedom of Information Act regulations are being followed at the check-off boards.
- MDARD is responsible for ensuring that funds are being used according to industry adopted programs and in compliance with State of Michigan statutory financial and generally-accepted accounting standards.
- MDARD reviews all commodity audits and provides a written review of the audits provided to ensure financial soundness and compliance with generally accepted.

ACCOMPLISHMENTS:

- In 2018, MDARD attended 59 commodity meetings, making 86% of all scheduled commodity meetings.
- Completed the third-party audit review of all 14 commodity groups, ensuring financial compliance.

Commodity Meetings with MDARD Staff Participation	Number Attended 2018	Percentage Attended 2018
Bean Commission	4	80%
Wheat Committee	7	100%
Soybean Committee	7	87%
Cherry Committee	4	100%
Tree Fruit Commission	3	50%
Apple Committee	4	100%
Beef Commission	3	75%
Corn Committee	5	83%
Asparagus Committee	2	66%
Carrot Committee	2	100%
Onion Committee	4	100%
Potato Commission	3	100%
Dairy Committee	3	100%
Blueberry Committee	8	100%

KEY STAKEHOLDERS

Michigan Wheat Committee
 Michigan Soybean Promotion Committee
 Michigan Onion Committee
 Michigan Carrot Committee
 Michigan Asparagus Committee
 Michigan Apple Committee
 Michigan Tree Fruit Commission
 Michigan Dry Bean Commission
 Michigan Cherry Committee
 Michigan Corn Marketing Program
 Michigan Beef Industry Commission
 Michigan Dairy Marketing Program
 Michigan Potato Industry Commission
 Michigan Blueberry Commission

LEGAL AUTHORITY:

PA 232 of 1965, the Michigan Agricultural Commodities Marketing Act (MI Apple, MI Asparagus, MI Carrot, MI Cherry, MI Corn, MI Dairy, MI Onion, MI Soybean, MI Tree Fruit, MI Blueberry and MI Wheat commissions)

PA 29 Michigan Potato Industry Commission

PA 114 Michigan Bean Commission

PA 291 Michigan Beef Industry Commission

AGRICULTURE DEVELOPMENT DIVISION



International Marketing Program

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Mission - Assist Michigan food and agriculture businesses in developing trade opportunities to effectively export their products and achieve economic growth.

The International Marketing Program works to implement its mission by assisting Michigan producers and processors in developing trade opportunities through new market development or expanding existing markets to increase export sales. To showcase Michigan companies in the global arena, the program organizes and implements activities such as export seminars, buyers' missions, trade missions and Michigan Pavilions at select domestic and international trade show.

IMPACT FOR MICHIGAN:

Increasing exports of food and agriculture products and encouraging more companies to become involved in exporting increases the economic impact to the state. Benefits to the economy include increased jobs due to exports and assist in keeping prices stable for Michigan growers and farmers.

ACCOMPLISHMENTS:

- First ever Michigan Pavilion at the Sweets & Snacks Show
 - Five companies participated
 - Results - 130 leads/contacts and expected increase in sales over the next 12 months of \$2,150,000 in domestic and \$1,125,00 in export sales.
- Collaborated with the Cherry Marketing Institute to bring five Chinese buyers to Michigan to view tart cherry harvest and processing. The buyers also meet with Michigan tart cherry exporters.
 - Results – expected exports to China of \$1,260,000 in the next 12 months.
- Exporter of the Year Awarded to Dr. John's Candies & Rising Star Awarded to Brew Export

MEASURING SUCCESS:

Metric (Calendar Year 2018)	2017	2018
Number of Michigan companies participating in Food Export programs and services	76	94
Number of company visits to Michigan companies by export team	39	40
Number of followers on Twitter	1,380	1,590
Number of followers on Facebook	499	630

PROGRAM GOALS:

- Assist Michigan companies in the export of food and agriculture products leading to first time exports or an increase in exports
 - Assist companies in navigating federal export assistance programs
 - Increase meetings with Michigan companies
 - Increase the number of Michigan Pavilions offered at trade shows
- Collaborate with Michigan commodity groups to assist their industries to increase exports
- Continue to develop export programs and provide assistance to the craft beverage industry
- Develop and offer new export programs and services for Michigan companies



KEY STAKEHOLDERS

- Michigan food and agriculture exporters
- Michigan food processors
- Michigan forest products companies
- Michigan growers and producers
- Commodity groups



GRAPE & WINE

PROGRAM MANAGER: Karel Bush | 517-284-5742 | bushk9@michigan.gov

The Michigan Grape and Wine Industry Council provides a forum for statewide collaboration in research, promotion and professional development to meet the changing needs of this exciting growth industry.

IMPACT FOR MICHIGAN:

- \$5.4 billion total economic impact
- Directly creates 27,930 jobs, generating \$772.6 million in wages
- Maintains land in agricultural production – 3,050 acres of wine grapes
- Contributes to Michigan's tourism and agricultural economies, including \$252.7 million in tourism spending annually
- Generates \$853.6 million tax revenue annually for the State of Michigan and local and federal governments

ACCOMPLISHMENTS:

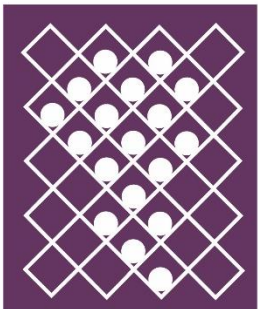
- The Council funded \$135,393 in research projects to advance knowledge of wine grape growing and winemaking to serve the industry into the future.
- Council staff organized the first-ever Michigan Wine & Cider Festival at Eastern Market in Detroit, where 41 Michigan wineries and cideries sampled their product for more than 500 trade and consumer attendees.
- Council staff collaborated with industry partners to conduct the second Michigan Certified Alcohol Service Training (Mi-CAST). Credentials were awarded to 28 participants for completing the training which provides knowledge and information for those in the winery industry around alcohol management, customer service and fluency/sensory evaluation.

MEASURING SUCCESS:

Metric	2017	2018
Winery participation in Council activities	76%	78%
Number of web referrals from social media channels	5,391	8,267
Number of wineries recognized by the Council	139	149
Acreage in wine grapes (USDA NASS)	3,050	3,050

PROGRAM GOALS:

- Participation in Council-sponsored activities by 65 percent of the businesses that are recognized by the Council as “producers of Michigan wine”
- Increase web referrals from social media channels by 10%
- Increase the size of the industry to 10,000 acres of wine grapes by 2024
- Production of three million cases of Michigan wine per year by 2024



KEY STAKEHOLDERS

- Wineries
- Wine grape growers
- Wine trade partners: retailers, restaurants, wholesalers
- Michigan State University and other educational institutions
- Tourism organizations

LEGAL AUTHORITY:

- Public Act 58 of 1998